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Aldao, Ricardo C.

Pan-American economic co-operation

[New York]

[1920]

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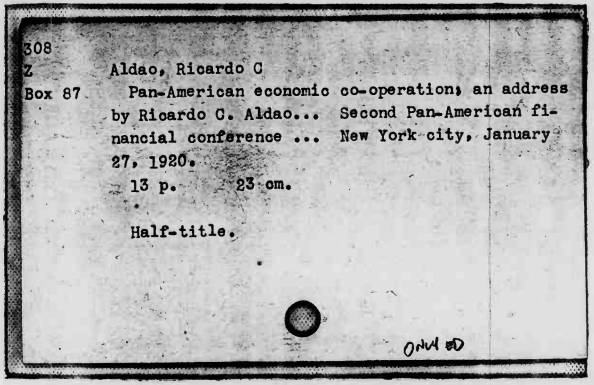
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Aldao, Ricardo C

Pan-American economic co-operation; an address by Ricardo C. Aldao... Second Pan-American financial conference ... New York city, January 27, 1920.

13 p. 23 cm.

Half-title.

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Prof. E. R. A. Seligman

PAN-AMERICAN ECONOMIC CO-OPERATION

AN ADDRESS

BY

RICARDO C. ALDAO

MEMBER OF THE ARGENTINE DELEGATION

TO THE

SECOND PAN-AMERICAN FINANCIAL CONFERENCE

AT THE DINNER TENDERED TO

THE DELEGATES

BY

THE PAN-AMERICAN SOCIETY OF THE UNITED STATES

AT THE

WALDORF-ASTORIA HOTEL

NEW YORK CITY

JANUARY 27, 1920

Oct 12, 1920 Star

Mr. CHAIRMAN and GENTLEMEN:

The invitation extended to me by the Pan-American Society of the United States, as well as my appointment as one of its spokesmen for this evening, is regarded by me as the greatest honor. If I have accepted so worthy a distinction, it is not because I trust too much in my own ability, but rather because I feel confident that I may express my ideas with absolute sincerity, in harmony with the sentiment of fraternal cordiality of which the Delegates of the other Republics of America and myself have been the object since our arrival in this great country.

Following this criterion, I propose here to express briefly what it is that the men of the United States should do, and what they should not do, in order to attain in the quickest and most ample manner possible, the reciprocal benefits to be derived from the state of harmony and mutual esteem, which fortunately prevails in the relations between this country and the Latin-American Republics.

But prior to my fulfilling this task I wish to report the result of some information which I have obtained as to the genealogy of the Pan-American Family.

The researches carried on with this object in view have not disclosed any trustworthy traits of the extraordinary individuality of the progenitor of the 21 Republics which form the family whose Delegates have been meeting during the last few days in Washington, for the purpose of discussing subjects of common interest for the welfare and progess of them all.

However, certain circumstances lead us to believe that the hypothetic common father of the Pan-American family was a man of an extraordinary personality,

healthy and sound both of mind and body, intelligent, honest and energetic, embodying all the qualifications which assure success in life.

That super-man, in fulfillment of the fundamental laws of Nature, decided to create a family. Hence, he first contracted marriage with a high British dame. The issue of this marriage was the first-born son—The United States—endowed with all the prominent features of the superb Anglo-Saxon race, which has done so much for civilization all over the world and for the safeguard of individual rights. Therefore it is that the first-born Son of the Great Pan-American family was born endowed with such exceptional qualities, that although with less than one and a half centuries of sovereign existence, he has already been able so to develop his personality that he is to-day, without dispute, the richest, the most progressive and the freest of all the Nations of the earth.

The ideal father of the Americas married for the second time a charming Spanish lady and from this marriage, which lasted so many years, were successively born eighteen brothers, who in different degrees and forms display the qualities of vivacity, courage, nobility, and unselfishness, which are characteristic of the Spanish race. The eighteen countries of this origin constitute the most numerous group of the Pan-American Family. All of them are working their own portion of the inheritance which they received, from the fertile prairies bathed by the blue waters of the Mexican Gulf and the Caribbean Sea, to the rough and frigid regions of the extreme South of the continent, belonging to Argentine on the Atlantic and to Chile on the Pacific. They have also been making their progressive way in life, and all of them have now a well-defined sovereign personality, and they are all of them striving with faith in the future to work out their economic independence.

It has likewise not been possible to satisfactorily ascertain what was the legal system which governed the origins of the Pan-American Family, but the fact remains that while the matrimonial relations yet existed with the Spanish lady, the ideal father of the Americas entered into his third matrimonial adventure with a high-born Portuguese lady, and from this union was born Brazil, endowed with the notable qualities of intelligence, of courage and of enterprise which characterize the Lusitanian race, and to whom, in the final partition of the paternal estate, were allotted the immense and rich territories, the exploitation of which will make this noble brother one of the most important and wealthy members of the Family.

To complete the Pan-American genealogical review, I must mention that, impulsed by amorous passion maybe a bit questionable, but which deserves all our respect, the ideal father contracted a fourth nuptial relation—this time with a West Indian lady of French extraction;—from that union was born Hayti, endowed with qualities of intelligence and culture which have permitted him to overcome the prejudices which his race may have inspired, and who is now incorporated into the Pan-American Family, as a proof of the predomination of the democratic ideals and of the respect and consideration which, despite their color, men are able to inspire when they are so distinguished and select as Mr. Fleury Fequier, the notable Haitian Minister of Finance, who is at the head of the Delegation which has shared with us the tasks of fraternal co-operation which have absorbed us during the past week.

The Pan-American Family being thus constituted, the 21 brothers built their homes in the portion of this Hemisphere which was allotted to each of them when the estate of the common father was divided;—and for more than

a century they have been more or less separated from each other because of the great distances and the inefficient means of communication.

This state of affairs has caused each of the brothers to adopt the language of his respective mother,—this being also the reason why some of the brothers were kept in such a state of mutual isolation, that it may be said that between some of them the natural consequences of their blood union had almost disappeared.

In the mean time, each and every one of the 21 brothers was working hard in the effort to make fruitful his portion of the generous land which Nature gave to the greater part of our Hemisphere,—it being the eldest brother who, by his energetic work and his extraordinary industrial capacity, was the first to attain his economic independence, producing all that he consumes and to such a degree as very soon to exceed his domestic necessities.

It was then that the United States realized that the time had come when he must devote his attention to the development of his foreign commerce in order to obtain in other countries new markets which would absorb the excess of production of his splendid manufactures; and this was the origin, perhaps somewhat selfish, of the initiatives taken to bring about a rapprochement between the different members of the sparsely settled Pan-American Family.

Thus came into being the happy initiative of President Wilson and his ex-Secretary of the Treasury, William Gibbs McAdoo, of calling the first Pan-American Financial Conference, which was so successfully held in Washington in 1915, and which resolved to hold successive periodical meetings to foster the development of relationships of all kinds between the Republics of America.

In recalling this initiative, which was so fruitful in all kinds of good results, it is of strict justice to remember, with equal gratitude, the names of John Bassett Moore and Leo S. Rowe, who have had such a brilliant part in the successful accomplishment of the bringing together of the Pan-American family, and also John Barrett, the popular Director General of the Union and recognized God-father of the Benjamin of the family, the Republic of Panama.

When in 1915 the first conference was held, all the younger brothers of the family came to the meeting with a feeling of pleasure, but, we must confess, that in so doing we felt the natural bashfulness which always results from the first visit of members of the same family who are almost unacquainted with each other, and who are invited to meet in the palatial home in which the eldest of the family dwells.

There existed prejudices caused by the differences existing between the enormous power and wealth of the eldest brother, and the modest situation of some of the younger brothers, and there were not wanting some who claimed that the relations between the United States and the young Latin Republics were perhaps inspired by the same cordiality which exists in the relations maintained between the shark and the smaller fish of the sea.

Nevertheless, these prejudices, that attitude of anxious expectation, were soon dissipated, as the snow melts under the genial rays of the Spring Sun. And the generous dealings of the eldest brother, his just appreciation of the qualities distinguishing each one of the members of the family, and even the same rough and healthy frankness with which he knew how to express and show that his interests were not antagonistic, but in perfect harmony with those of the minor brothers, very soon changed the shy coolness of the first meeting into a rapprochement

which was a fruitful field for the exchange of ideas and plans in which material interests were not an obstacle, but on the contrary, a pretext to create and strengthen the bonds of the family, somewhat weakened by long distances and prolonged absences.

Such a favorable situation had the best corollary in the first meeting which in April 1916 was held in Buenos Aires by the International High Commission for the Uniformity of Laws, the genial creation of John Bassett Moore, which has for its special object, to give permanent assistance to the new organization, and therefore to insure compliance with the resolutions adopted at each of the successive Pan-American Conferences.

Such was the status of the relations of the Republics of America when the eldest brother made the grave decision to intervene in the European War; and it was then that by his conduct, he was able to win all the admiration, all the sympathy, all of the love of the minor brothers.

On this occasion it was that the eldest brother demonstrated that if he were capable of the greatest and most daring progress in industry and commerce, that if he were prepared to attain unto the first rank among the nations of the world by his power and his riches,—yet that he was also capable of becoming the greatest and most sublime Don Quixote who has ever lived since the existence of humanity.

Nothing, absolutely nothing that represented the most minimum material interest, induced the United States to intervene in the War.

On the contrary, the maintenance of his neutrality would have assured to him the greatest material advantages, because in order to obtain them it was only necessary for him to wait, with cold tranquility, until the great and ancient powers of Europe were completely

annihilated by the wave of madness which swept all over that continent.

But he did not do that, he could not do so; and when that mad wave threatened to overwhelm and destroy the most elementary principles and the most sacred rights, our eldest brother resolved to become belligerent and to place his utmost power into action for the purpose of saving humanity.

It is this action unparalled in History, which has completely taken out of the minds of the young Republics of America every trace of the prejudice which has always kept some of them in a defensive attitude when invited to approach the eldest brother for the purpose of adopting measures of mutual benefit.

The younger brothers of the family have no fear of the attitude which the eldest brother may adopt towards them, after having seen how capable he is of assuming the greatest responsibilities and of suffering the greatest losses for no other purpose than that of defending the perpetuity of the principles and rights of Humanity.

It has been under these happy circumstances,—in this environment of admiration and fraternal sympathy, which keeps the spirit free from prejudices and the heart open to all kinds of generous ideas,—that the Second Pan-American Financial Conference has just been held at Washington, whose program of courtesies to-night's splendid gathering brings to a close.

Now, gentlemen, what is it that the younger brothers of the Pan-American family have to ask of the elder brother, so that he will efficiently co-operate for the development of our progress and happiness?

It is at once self-evident that all the young republics of America need financial help, especially in order to work out the evolution of their economic cycle through the expansion and development of industries capable

of utilizing the raw materials which they produce. But we all know the generous and unlimited financial assistance which this country has given to the Allies on account of the War; and due to the exhausted condition in which even the victors find themselves, our eldest brother is presently unable to give similar help to his younger brothers of the Pan-American family, as he would, no doubt, desire to do.

In this connection we can only express our hope of the prompt rehabilitation of the great European powers, so that once the economic equilibrium is restored, they may build up again their financial standing, and be enabled to fulfill the obligations which they contracted during the War, reimbursing the United States with means which may permit them to give ample help to the Latin Republics.

With this in view I will enumerate, with absolute sincerity, a few of the instances in which the good will of our eldest brother towards his younger brothers of the Pan-American Family, could be practically shown.

It is, therefore, convenient to spread the knowledge of the four languages used in the American Republics, and especially Spanish, which is the language of 18 out of the 21 brothers. In this regard it is convenient to insist that it is not necessary to attain the perfection of a linguist, as is shown by the fact that you are apparently understanding what I am saying in very deficient English. Only a little effort is necessary in order to be able to communicate directly with the other members of the same family.

It would be very advisable to adopt the so often announced unity of weights and measures, as an efficacious means to facilitate commercial interchange between our countries. Towards this end, I have had the opportunity to propose at the Financial Conference the recommendation, which was adopted, that in all documents relating to maritime commerce there be inserted simultaneously the weights and measures of the English system, which still prevails here, and of the decimal system, used in nearly all the other American Republics.

A matter of the greatest importance for the development of our mutual interests, is the improvement of maritime communications among the American Republics, especially between this country and Argentina, where this deficiency is really extraordinary. I have had occasion to say publicly in the last few days, that the Argentine Delegation, to which I am a member, has taken four weeks to come from Buenos Aires to New York; and today I can add that just now we do not know when nor how we will be able to go back to our country. Probably we shall be obliged to go to Europe to look for a British, French, Dutch, Spanish, or Italian steamer that will take us back to Buenos Aires. This state of affairs should be remedied without delay, and we hope that the Government of this country will give this matter its preferent attention; and it can be assured that all the South American countries will be willing to co-operate, as may be needed, in order to put an end to this deplorable condition of means of communication by sea.

Also worthy of being mentioned is the projected Pan-American Railroad, the plans of which have had to be given up temporarily due to the general paralyzation caused by the War. We know that in the Bolivian section the work is being carried on at present, and that the Government of Peru intends to do the same; there being thus an early prospect of being able to go by railroad from Buenos Aires to La Paz and Lima. This great work that tends to unite the Pan-American countries, merits special attention and its solution depends to a great extent upon the technical help that the Government of the United States may give.

In the Argentine Republic we have no need of new Banks; we have about 350 banking houses spread throughout the country; but we would see with great interest the opening of new branches or subsidiary corporations of the great banks of this country, as has already been the case in Buenos Aires, and also in some of the other capitals or principal cities of Central and South America. What we really need are agricultural and industrial banks, which may offer their own capital to be loaned at long terms for the promotion and development of the industries of each country.

We also need a modification of the legislation which is in force in this, as well as in other States of the Union, by which the Banco de la Nacion Argentina, for instance, which is without doubt the most important banking institution of Latin America, has no right to establish a branch in New York. It is clear that branches of the great State Banks of the Latin Republics, established in this country would contribute efficiently to the development of commercial relations;—but besides this circumstance of material convenience, there are evident moral advantages in that the same facilities which we have already granted, should be accorded to us.

The same thing is true with respect to the exercising of certain liberal professions,—the practice of law, for instance—which cannot be practised here unless United States citizenship is adopted; while in most of the other Republics of America, any citizen of the United States who complies with the Universitary requirements, is legally authorized to exercise such profession, on the same conditions as any native citizen.

We specially need that the financiers of this country take pains to educate their investing clientele to acquire bonds of the public debt, and debentures of private enterprises of Central and South America, which may offer

complete security. For this purpose it would be advisable to constitute intermediary companies, but with their own capital and which should not limit themselves to intervene as simple brokers, but who may be the direct and firm purchasers of the issues made in the Latin Republics which are worthy of confidence; these intermediary companies being the ones which would gradually distribute among their clientele those excellent sources of income, which are rejected today on account of lack of education of the investing public as to foreign business. This recommendation is specially directed to the well known financiers of this City known as "The South American Group" and who, to merit this title, have only effected up to this time a few loans on short terms, without having as yet devoted anything corresponding to the importance of their financial capacity in behalf of the development of the relations between this country and the Latin Republics.

We need that the merchants and manufacturers in the United States do not use disloyal competition towards the infant industries of the Latin Republics: for instance, we believe that it is indispensable that the North American merchants and manufacturers should not authorize the sale, as has recently happened in Buenos Aires, of their Portland Cement at an actual loss of $2.00 per barrel, with the sole purpose of competing with the product of the first manufactory of this material which has been established in the Argentine, and which factory has been built by North Americans, with North American machinery and materials and with North American capital. Neither should it be permitted that corn glucose, for instance, produced here, and the cost of which in Buenos Aires is more than $24.00 per 100 kilos, should be offered at present to the Argentine consumer for $20.00 in order to compete with the new

industry of the country, created by the necessity of industrializing part of this product, so abundant in the Argentine, and on some occasions so difficult of exporting on account of the very high freight rates.

There is in this country a law declaring punishable the faithless competition, known as "dumping",—and it is not possible that this faithless competition, repudiated and punished here, should be exercised freely by North American merchants in the Latin Republics, simply because up to this time proper laws have not been passed there for protection against this unjust aggression.

It is convenient that the manufacturers and merchants interested in the commerce of the Latin Republics should get together to constitute in the large cities of this country Chambers of Commerce for the development of business, and to solve amicably any difficulty which may arise, that being the example set already by the Argentine Republic by constituting in this great world market its own Chamber of Commerce, in behalf of which I take the liberty of requesting the co-operation of all those who are interested in the development and prosperity of the commerce between the two countries.

I wish, finally, to call the attention of our friends, the business men, and especially the manufacturers of North America, to this; that we, the men of Central and South America have the most earnest desire to increase in the greatest measure possible, our purchases in this country; and that this desire is not merely based on sentimental reasons, but upon the material convenience of having more than one source of supply to satisfy our needs for manufactured articles, and thus to be able to secure the best quality for the least price. But, in order to obtain this result, it is indispensable that the manufacturers of the United States should give to the filling of the orders that they receive at least the same minute care which

the European manufacturer has for long years been accustomed to bestow upon his numerous clientele located in the Latin Republics. Probably through want of experience in foreign trade,—or for whatever other reason which I prefer not to investigate,—the North American manufacturer is not so careful in the strict fulfillment of the orders of purchase which he receives from other countries; and this defect is frequently noticed even in the packing of the merchandise which is shipped. It is the aggregate of all these details which gives mutual satisfaction in commercial relations and conduces to its greater development; it being understood on my part that in permitting myself to make these recommendations, I am giving conclusive proof of the interest which exists in all our Republics in increasing to an unlimited degree the volume of our commercial transactions with the great Republic of the North.

Gentlemen: Only because I know all the kindly consideration which you show us, have I made bold to occupy for so much time your attention; and, in sincerely thanking the Pan-American Society of the United States for the opportunity which it has given me of addressing so distinguished an audience, I express the wish of the sons of the Republics of America, that we may always present to the world the example of our continental solidarity, based upon the most earnest desires of peace, of progress and of culture.

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